

Solicitation FAQs

1. **Question:** Why did we overlap the Kramer Street site clusters?

Answer: Overlapping the clusters was not intentional. We are amending the Kramer Street site clusters (amends Section 2, Clause 2.1 of the Solicitation) as follows:

Site Cluster 2 will include the following properties:

Square 4540, Lot 223, Kramer Street, NE
Square 4540, Lot 224, Kramer Street, NE
Square 4540, Lot 225, Kramer Street, NE
Square 4540, Lot 226, Kramer Street, NE
Square 4540, Lot 227, 1613 Kramer Street, NE

Site Cluster 4 will include the following properties:

Square 4540, Lot 232, Kramer Street, NE
Square 4540, Lot 233, Kramer Street, NE
Square 4540, Lot 827, 1627 Kramer Street, NE
Square 4540, Lot 826, 1629 Kramer Street, NE
Square 4540, Lot 825, 1631 Kramer Street, NE
Square 4540, Lot 828, 1633 Kramer Street, NE

2. **Question:** How will developer questions be addressed moving forward?

Answer: If you have a question that is not answered by the posting on the DHCD website on August 22, 2008, please contact Adarsh Hathi directly at 202-478-1351 or via e mail at Adarsh.Hathi@dc.gov.

3. **Question:** Why are we requiring so much money down from affordable purchasers? It is not feasible to ask for a 5% down payment, a contribution of 5% towards closing costs, and the requirement that monthly payments not to exceed 30% of annual income.

Answer: These requirements were assumptions we asked the developers to make in determining the purchase prices of the affordable units. We will amend these assumptions as follows: Developers should assume that purchasers would contribute an aggregate of 5% towards down payment and closing costs and monthly PITI (principal, interest, taxes, and insurance) payments should not exceed 38% of annual gross income. (amends Section 3, Clause 3.2.5 of the Solicitation)

4. **Question:** Why are LSDBE proposals being given preference while non-profit proposals are not given any preference? Non-profits cannot be LSDBE's.

Answer: The solicitation states that LSDBE's who submit proposals will be given preference. The same will hold true for any non-profit that submits a proposal. (amends Section 3, Clause 3.3.7 of the Solicitation)

5. **Question:** In the developers' opinion, the requirement that a LSDBE be a 20% equity partner in the organizational structure of each project is not feasible for projects of this small scale. Can we amend this requirement?
Answer: No. Pursuant to Section 2-218.49a of the District of Columbia Code, the District of Columbia (the "District") requires that Local, small, and disadvantaged business enterprises "receive 20% in equity and development participation in all development projects supported by District funds", this includes: (i) all development projects that take place on District owned property, (ii) all development projects undertaken by government corporations, and (iii) all development projects resulting from contractual relationships where District owned real property is transferred to a third party. Please note however, that this requirement does not apply "if the entity that controls the development project is an entity tax-exempt under section 501(c) of the Internal Revenue Code of 1986." Developers who have concerns about whether they are exempt from this requirement or are having trouble meeting this requirement should contact the District of Columbia Department of Small and Local Business Development ("DSLBD") Office directly by phone at (202) 727-3900, or in writing at 441 4th Street, NW, Suite 970N, Washington, DC 20001 to have any questions answered prior to submitting a proposal.
6. **Question:** Why are we razing the structures on W Street and the structure on Q Street? It may be more economically feasible to refrain from razing the existing structures?
Answer: We will refrain from razing any existing structures on the properties. Upon award, developers can inform us of their preference with regard to razing the structures on the property. (amends Section 2, Clause 2.2, of the Solicitation)
7. **Question:** How frequently do we intend to do these solicitations?
Answer: We will put solicitations out as DHCD deems necessary. There is no set timetable.
8. **Question:** What is our affordability timetable exactly, 15 or 25 years?
Answer: The solicitation currently states a range of 15 to 25 years as our affordability goal. The affordability requirement for these properties will be for a minimum of Fifteen years (15) years. At closing, a covenant will be recorded requiring the affordable properties to be owned by an affordable purchaser for the term of affordability. (amends Section 1, Clause 1.3 of the Solicitation)
9. **Question:** How will the right of entry work? Will there be a specific date designated for developers to go out and inspect the properties?
Answer: Developers should have their right of entry form executed before going to inspect any of the properties listed in the solicitation. Developers will be given the opportunity to inspect the properties. With respect to the W Street, SE cluster and Q Street, NW, cluster on which there are buildings, inspection of these buildings will be permitted between the times of 10 am to 3 pm Thursday, August 28, Thursday, September 4th and Thursday, September 11th.

10. **Question:** If we decide to alter the solicitation in anyway, will we extend the September 17th deadline?

Answer: No, the deadline for submission of proposals will remain September 17, 2008 at 3 p.m.

11. **Question:** Do we have clear title to all of the properties being offered in the solicitation?

Answer: Yes, we do have clear title to all of the properties except for the property located at 1708 W Street, SE, There is still litigation pending on this parcel, but the litigation is expected to come to a close shortly.